



The Honorable Martin O'Malley
Governor
State of Maryland
Annapolis, MD 21401-1991

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401-1991

RE: HB 166, Chapter 2 of the Acts of 2011 - Maryland Health Benefit Exchange Act of 2011

December 23, 2011

Dear Governor O'Malley, President Miller and Speaker Busch:

Pursuant to HB 166, Chapter 2 of the Acts of 2011, the Maryland Health Benefit Exchange is to report its findings and recommendations, including recommendations for further legislative or regulatory action, to the Governor and General Assembly on or before December 23, 2011.

The legislation requires that the Exchange study and make recommendations regarding:

1. The feasibility and desirability of the Exchange engaging in selective contracting and multistate or regional contracting;
2. The rules under which health benefit plans should be offered inside and outside of the Exchange in order to mitigate adverse selection and encourage enrollment in the Exchange;
3. The design and operation of the Exchange's Navigator Program and any other appropriate consumer assistance mechanisms;
4. The design and function of the Small Business Health Options Plan (SHOP) Exchange beyond the requirements of the Affordable Care Act (ACA) to promote quality, affordability, and portability;
5. How the Exchange can become self-sustaining by 2015; and
6. How the Exchange should conduct its public relations and advertising campaign.

Pursuant to the insurance article, section 31-106 (G) of the insurance article, the Board created four advisory committees with more than 60 participating Marylanders.

In consultation with these committees and with data and analysis provided by external consultants, the Board developed the recommendations in the attached report for a successful Exchange.

The Board looks forward to the next steps in consideration of these recommendations, and we thank you for the opportunity to serve Maryland at this special time.

Sincerely,

A handwritten signature in red ink, reading "Joshua Sharfstein". The signature is fluid and cursive, with the first name "Joshua" and last name "Sharfstein" clearly legible.

Joshua M. Sharfstein, M.D.
Chair
Board of the Maryland Health Benefit Exchange